

To: **Mayor and City Council**
From: **Ryan Schroeder, City Manager**
Date: **January 13, 2020**

Ice Arena Expansion Project

BACKGROUND INFORMATION:

On November 12, 2019, staff introduced a proposal of expanding the Ice Arena (see enclosed) to Council, which had been requested by two of the major customers of the facility. At that meeting, we discussed preliminary cost estimates of \$1.6 million for high school locker rooms and dry floor training facility space.

Five members of Council were present at the November 12 OCWS. At this meeting consensus from members in attendance was to continue to the next step of officially contacting our prospective project partners of Mendota Heights and ISD197. We have not yet taken that step as we have refined possible project schedules, and funding requirements. At this time, our intent is to provide the most recent update on those matters.

In 2014 West St. Paul, Mendota Heights, and ISD197 entered a JPA to address maintenance needs of the Arena facility. While the agreement contemplated expenditures of \$1,865,999, and each partner contributing \$555,333, total costs have grown. After completion of dehumidification in 2020, it is anticipated that the Arena will have received \$2,101,275 in capital investment since 2015. West St. Paul will have covered \$790,609 of those costs upon completion of the 2020 improvements (or \$235,276 above the original cost share; see enclosed).

Since the November OCWS, we have looked at potential project schedules. Enclosed, please find an exhibit that denotes the most aggressive of identified schedules that could result in a construction project as early as spring, 2021. This schedule assumes funding commitments from Mendota Heights, SD197, West St. Paul, Sibley Area Youth Hockey Association, The Sibley Hockey Boosters, and MAP South Hockey along with a level of fundraising success. It is also assumed that in conformance with Council policy the project approach would include avoidance of debt issuance. This approach suggests that funding partner participation would be fulfilled within the 2020-2022 timeframe.

Also enclosed is a refined project estimate, which suggests a project development cost of \$2,330,000 to construct the shell space. Tenant Improvements (TI's) and furniture, fixtures, and equipment (FFE) would be in addition to this project cost. It has been discussed that the major tenants of the individual spaces would address these TI/FFE costs.

Within project costs is included reconstruction of the parking lot. A portion of the lot will be deconstructed as part of the facility expansion. It is also anticipated that the lot will be reconfigured to maximize parking and to comply with current development requirements (drainage, access, lighting,

landscaping).

The total project budget includes the base project of dry floor and locker room space, plus an alternate to expand arena storage space. The process also includes a suggestion that a task force be created to afford representatives of funding partners' active participation opportunities into the final project design.

FISCAL IMPACT:

		Amount
Fund:		
Department:		
Account:		

STAFF RECOMMENDATION:

Provide Direction